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IMF 'reform' brings depression to Cameroon

by Linda de Hoyos

Even if President Paul Biya, strongman of Cameroon, wins the Oct. 11 national elections, by all accounts he will have a difficult time ruling, unless he manages to break with the policies imposed on Cameroon by the International Monetary Fund. Biya, who has ruled Cameroon for the last 10 years, has taken the country down the IMF road with the predictable result.

As *Africa Recovery,* journal of the United Nations Africa Development Fund, reported in its August 1992 issue: "Cameroon has been in a deep recession with few signs of recovery despite a series of difficult adjustment reforms. The government continues with a restructuring program [as demanded by the IMF] aimed at cutting costs and increasing productivity in both the public and private sectors, but growth has continued to fall sharply. . . . After four years of growing austerity, Cameroonians are being asked to make more sacrifices."

This is not good election politics. The situation is all the more striking, since Cameroon, unlike many African countries that are 100% oil dependent or dependent on cereal imports to feed the population, is an oil and rice exporter. With a population of 11 million, in 1989, Cameroon enjoyed a per capita GNP of over $1,000/year—poor by the standards of industrialized nations, but three times the average for sub-Saharan African countries. Cameroonians have had a life expectancy of 57 years, while most African countries have expectancies of under 50.

However, under Biya, funds from the mid-1980s appear to have been dissipated, and not deployed in ways to boost the nation's productivity and capital intensity. Building his patronage base, employment in the non-productive civil service more than doubled.

Since 1965, in fact, the percentage of the work force engaged in agriculture has remained at a steady 4 to 4.5%. The percentage of the work force engaged in agriculture has shifted from 86% in 1965 to 74% in 1989, but the excess labor has been absorbed almost exclusively by the non-productive services sector. In fact, per capita energy consumption over the last decade—one measure of infrastructure and industrial development—has dropped since 1985 by 11%.

Despite the inflow of monies from exports, foreign debt nearly tripled from $2.5 billion in 1980 to $6.02 billion in 1990. At the same time, large chunks of its revenue from oil and other exports were simply funneled outside of the country for investments believed to be more lucrative than industrializing Cameroon. From 1982-88, capital flight rose fourfold to reach levels of $430 million for 1988 alone.

Collapse of terms of trade

But in Cameroon, as with the rest of Africa, the driving wheel for the downward spiral of the economy has been the collapse of the terms of trade. The 1989 index was down to a third of even mid-1980s levels for the prices of Cameroon's principal commodities, including coffee and cocoa, and then fell again in 1990. As *Africa Recovery* reported, this has translated into drastic cuts in the prices paid to producers. The cocoa producer price fell 41% since 1989; the coffee price by a full 61%! The price of cotton, another major export commodity of Cameroon, fell by 36%.

This has put a squeeze on Cameroon's farmers, which promises to become only worse. The government Office national de commercialisation des produits de base (ONCPB), is hugely indebted to farmers on even the decreased prices. To farmers it simply appears as though the government purchasing agency is forcing them to hand over their produce without payment—a significant disincentive to produce. In 1991-92, production of cotton and coffee dropped. Prices of agricultural inputs are also increasing, and fertilizer subsidies to farmers are slated to end in 1993, as per standard IMF policy.

The entire agricultural sector is on a downhill slide, with no bottom in sight. Total agricultural production per capita, according to the U.S. Department of Agriculture, has fallen 8% since 1980. Per capita grain consumption has dropped 14%.

That is, depression conditions mean that Cameroonians are simply eating less. And although Cameroon has always been a solid food producer, cereal imports have more than doubled since 1986 to reach some 389,000 tons in 1990, further draining foreign exchange. Cameroon is now only 75% food self-sufficient, from a position of total food selfsufficiency in 1975.

The one category that is rising is debt service payments, which now consume close to 25% of export earnings. Despite two debt reschedulings at the Paris Club in 1989 and early 1992, *Africa Recovery* reported, debt service will rise in the next three years. To ensure this, the Biya regime is being forced to carry out continuing "reforms" of the economy that are no more focused on productive job-creation than Biya's own policies. The IMF is demanding further cuts in the civil service, which have already seen a loss of 60,000 jobs, and further slashing of the prices paid to cocoa and coffee farmers.

Trade liberalization, making official the non-tariffed smuggling of goods into Cameroon, is also being demanded, to be compensated for by increased domestic taxation. And lastly, Biya is setting up a free-trade zone for bringing in investors eager to take advantage of Cameroon's cheapening labor.

Formidable opposition

The net result of the combination of IMF policies and Biya's squanderings is the deepening poverty of Cameroon's people. In the last two years, epidemics of cholera and yellow fever have for the first time swept through large areas of northern Cameroon.

The political result is a strong and well-organized opposition led by the Social Democratic Front of John Fru Ndi and Siga Asanga. As SDF Foreign Relations Commission official Henry Njiwah told *EIR*, the SDF was first founded in 1990 as a regional party based in the anglophone western section of Cameroon, but has now expanded its support nationally. Even in Biya's home base of Abilova, SDF rallies recently drew crowds of 100,000.

Biya has responded by attempting to form his own opposition coalition. He also moved up the election date to Oct. 11, a date set previously for only municipal elections, with presidential elections to follow in 1993. According to Njiwah, people are also being discouraged from registering to vote by various bureaucratic ruses. Despite brutal repression, successful strikes and agitations are now giving Biya a run for his money.

On Sept. 18, Reuters reported, Cameroon had suspended its payments to the World Bank and foreign commercial banks, and aid to the country would be blocked accordingly. Planning Minister Roger Tchoungui, who has directed the IMF "reform" program and is the major enforcer for Biya's repressive social policies, blamed political civil disobedience campaigns, but affirmed Biya's commitment to pay debts at all costs as a "point of honor."

It is likely that Biya is diverting the money into a campaign fund for the Oct. 11 elections. Whether he "wins" the elections or not, there is no question that his role in helping to put the nation's resources into the hands of the IMF and its allied banks, has destroyed his credibility.

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